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ABSTRACT

Among the major factors contributing to a concentration on consumer affairs is the emphasis placed on the need for consumer education by the 1968 Commission on Consumer Education. Consumer education today can no longer be limited to the goals of teaching an individual to maximize his own resources because no one lives in a vacuum. Every consumer-related action taken by an individual today is likely to have many ecological as well as economic repercussions of which we may not be aware. Our society is strongly geared to consumption, and consumers are faced with making increasingly complex and varied consumer decisions. Consumer education is needed if there is to be a really broad-based, viable consumer movement. The present movement has had some success in making people aware of how much and how often they are being gypped and endangered, but the movement has not played a significant role in governmental decision-making, largely because producers are well organized and informed while consumers are not. Immediate help is needed from the public schools if we are to effectively analyze and publicize the information necessary for intelligent and responsible consumption. (SB)

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THE NEED FOR A NATIONWIDE PROGRAM OF
CONSUMER EDUCATION COORDINATED
THROUGH THE PUBLIC SCHOOL SYSTEM*

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THE NEED FOR A NATIONWIDE PROGRAM OF
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The current surge of interest in consumer affairs shown by educators, buyers, merchants, producers, lawyers, people from all walks of life is a recent phenomenon. Americans have long been interested in "getting their money's worth or driving a hard bargain" as evidenced by the folklore developed around the exploits of the legendary "Yankee Trader." It was not until the last decade that the general public became even vaguely aware of the many parameters in our economic system which ultimately effect consumerism.

Many factors contributed to this new concentration on consumer affairs but six in particular stand out: (1) the affirmation by three successive Presidents of the right of consumers to be protected from unsafe products, (2) the personal emphasis placed on the problem by former President Lyndon B. Johnson when in 1964 he established the position of Special Advisor to the President for Consumer Affairs, (3) the emergence into public view of Ralph Nader in 1964 with the publication of his book, Unsafe At Any Speed, (4) the inflationary price spiral of the late 60's and the subsequent supermarket boycotts by irate housewives; (5) the current youth trend towards a more natural life style, (6) the emphasis is placed on the need for consumer education by President Nixon's 1968 Commission on Consumer Interests and by Virginia Knauer, President Nixon's Advisor on Consumer Affairs.

It is this last factor, the need for Consumer Education, which is the theme of my presentation today.

Consumer Education was defined by the 1968 President's Commission on Consumer Interests as the "development of the individual in the skills, concepts, and understandings required for every day living to achieve, within the framework of his own values, maximum utilization of and satisfaction from his resources." Although this definition served our purposes well in 1968, it is not broad enough to have more than limited applicability in 1972. Consumer education today can no longer be limited to the goals of teaching an individual to maximize his own resources because no one lives in a vacuum. Every consumer-related action taken by an individual today is likely to have many ecological as well as economic repercussions of which we may not even be aware. Today, our expanded industrial and technological society, both because of its abundance and because of the cleavage it has brought about between production and consumption, has made consumer education an absolute necessity for every man, woman, and child in America.

The single most important aspect in understanding this need for consumer education is a rethinking of our attitudes about the American Economic System. Our society is strongly geared to consumption the buying and selling of goods and services. We are constantly being flooded with advertising, it is becoming increasingly difficult for the consumer to know what he wants, the quality and value of the goods and the ultimate effect of these products and services on the economy, on the environment, and even on the individual himself.

The increasing complexity and variety of consumer decision making is a logical justification by itself for consumer education. It is now painfully obvious that millions of consumers would not have paid for certain goods and services if they knew or could control what they were getting or if more sellers had observed elementary standards of decency and honesty. American consumers spend billions of dollars every year for products sold under false pretenses such as meat and poultry adulterated with fat and water, (even my favorite food, the hot dog, is suspect. If you don't believe that - just read Consumers Report,) patent medicines, mouthwashes, and beauty and diet aids that do less than they claim to or nothing at all. Both the Food and Drug Administration and the National Academy of Sciences have compiled lists of these products which are valueless for the purposes advertised and in some cases perhaps even harmful as well.

Worthless or unnecessary drugs alone cost the consumers hundreds of millions of dollars a year, and the Federal Trade Commission estimates that nearly a billion dollars annually is wasted on questionable home improvements and repairs. As for automobile repairs, Senator Philip A. Hart of Michigan said in February of 1970 that. "American consumers spend 25-30 billion dollars a year on auto repairs. Various studies on the quality of the work were presented to us. They rated the poor, unneeded, or unfinished work at amounts ranging from 36% to 99%. Even taking the low figure,

that means consumers are wasting 8-10 billion dollars that they lay out for auto repairs yearly."

Nearly as flagrant is the short-weighting, short counting, and short measuring of consumer purchases that were the subject of an in depth report in the Wall Street Journal in August of 1971 which said: "the pennies add up fast enough that estimates by State officials of the total U.S. loss from short-weighting start at 1.5 billion dollars a year and rise to as high as 10 billion dollars a year."

All of the foregoing are examples of what Ralph Nader has termed the "involuntary subeconomy." It is involuntary because the consumer did not get what he paid for. I am sure that the files of Charles Irwin, Director of the N.J. Division of Consumer Protection, and the files of his counterparts in other States are filled with individual examples of these types of consumer fraud. Almost as serious as not getting what you paid for are what Nader calls "secondary consumer expenditures" in which the consumer may get the particular item he wants, such as a car, but its effects are such as to force him to incur new costs. Usually high price automobile accidents have led to the development of what he terms an "accident-injury industry" comprised of people providing insurance, medical, legal, and repair services to the tune of 12 billion dollars a year. Of course, these people are needed when an emergency occurs; but if more consumers demanded that cars be safely and sensibly constructed and designed, if key parts were not so accessible or fragile and if "no fault" insurance were more widely available, American consumers could save billions of dollars every year.

Less well-known and understood than consumer problems in the automobile industry is the way in which many different products including packaged foods, soft drinks, and gasolines, to name a few, are sold through incredibly expensive advertising of brand names for which the consumer bears the costs and gets no additional value. Several States are moving toward legislation requiring posting of octane ratings for gasoline to be posted. I wonder how many of you know the octane content of the gasoline you bought today? The staff of Senator Hart's Anti-trust Committee estimates that "deceptive packaging and promises in the food industry alone cause consumers to waste 14 billion dollars a year." An example of this is an advertising campaign which promotes the buying of large, economy size boxes of foods that in fact cost more per unit than the medium sized boxes. Anyone who has ever gone shopping in a grocery store knows how bewildering it is to try to purchase the best quality items for the least amount of money. The trend in some areas towards unit-pricing in supermarkets is encouraging, but this practice is not widespread enough nationally to make a significant difference in the average consumer's weekly expenditure for food. Today's Washington Post carries a full page ad by the Giant Food Stores describing their new product marking policy. Ester Peterson, their Consumer Consultant, is publicizing widely their efforts to better inform the consumers as to unit pricing, date stamping and other means to help consumers make decisions.

Today, also, not many people are aware of what happens as goods and services progress along the chain from supplier of raw materials to manufacturer to wholesaler to retailer and finally to the consumer. Few people are aware of the effects of truck, rail, air, and ship cargo thefts in terms of costs passed on to the consumer. If consumers were better educated, more successful

pressures could be mounted as has presently happened in the field of automobile insurance where the soaring costs of policies for auto liability, theft, and collision became so high and enough consumers complained that nearly all insurance companies have added a surcharge for high-powered cars and a few have encouraged the auto industry to make better bumpers in an effort to reduce the costs of rates to the consumer.

The Federal Trade Commission has estimated that if highly concentrated industries were made more competitive by more strict enforcement of anti-trust laws, American consumers might realize savings of more than 25% on all of these industries products. We may soon be able to see just how accurate an assessment this is because, as you know the FTC in an unprecedented action, moved last week to require the break up of the four largest companies in the American breakfast cereal industry charging them with "illegally monopolizing the production and promotion of cereals for at least 30 years (and with) profiferation of brands and trademark promotion, artificial differentiation of products, unfair methods of competition in advertising and product promotion, restrictive retail shelf space control programs, and acquisitions of competitors." If the resulting benefits to the consumer from this forced encouragement of competition in the cereal industry come close to the benefits received by D.C. consumers when, in 1970, a new supermarket chain broke into the complacent, major-chain dominated food market, the consumer will save an incredible amount of money. A 1971 report by the FTC on the D.C. food industry showed that consumers in the District of Columbia saved over 40 million dollars in one year in reduced prices alone.

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Trading stamps, prize giveaways, sweepstakes, and the like for which the consumer ultimately pays are still further examples of the need for consumers to be aware of "something for nothing."

The consumer even pays for those who pollute air and water, to the tune of 14 billion dollars in taxes a year to clean up. (The yearly damage to California crops alone from air pollution runs to 45 million dollars a year and the costs to the unborn and to the environment of the future cannot even be estimated). This forced consumption of pollution also causes people to pay more insurance costs, higher medical costs, and lost wages in the form of days of work missed.

Although it is clear that these various sub economies support industries which create jobs and generate income, it is also clear that their operations and the kinds of needs they satisfy are in many cases not consistent with what is desirable for the consumer or socially responsible or legal for the industry.

On a nationwide scale, Senator Hart has estimated that of the nearly 800 billion dollars spent each year by American consumers, one quarter of this sum, or 200 billion dollars, purchases nothing of value. But, as I have tried to imply, this figure is but the "tip of the iceberg" in terms of the ultimate or long-range cost to the consumer and society itself. It is evident then that consumer education is desperately needed if there is to be a really broad-based, and thus viable, consumer movement in America. The present "movement" has had some success in making people aware of how much and how often they are being gypped and endangered. It has also limited success in getting regulatory agencies to strictly enforce their rules and in encouraging private individual and class action consumer

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litigation. Still, in all, the consumer movement has yet to play a significant role in governmental decision-making except in such limited activities as working for Truth-in-Lending and Truth-in-packaging Legislation. The reason is that the producers in this country are well organized and informed, but the consumers are not.

To develop within each individual the art of what Virginia Knauer calls "intelligent consumption," a comprehensive system of consumer education must be organized within the public school system and must become an integral part of the curriculum at each grade level. We must also eradicate the confusion which exists now concerning the place of consumer education as well as its nature and composition. Although other agencies such as cooperatives, trade unions, consumer organizations, and government have assumed some responsibilities on their own, the task of consumer education cannot be left to the uncoordinated voluntary efforts of such organizations because their effect does not reach much beyond the limits of their membership and of those directly exposed to their services.

Since the organized public school system (Elementary, Secondary, Postsecondary, and Higher Education) is the only agency which has almost universal contact with the public, it stands to reason that it should assume the major responsibility for Consumer Education. The educational system has traditionally been charged with developing individuals to function more effectively in society, and nothing is more essential to the achievement of that goal than the development of a national system of consumer education within the public schools.

Since nearly everyone in our society is a consumer, consumer education should be a continuing process, from pre-school through adult education. Since it can be geared to the needs and maturity of the individual it can also

easily be made relevant to all age groups. For example, teenagers comprise a large share of consumer market and, thus, are in need of consumer education, but few people realize that very young children, who are the targets of TV advertising, need consumer education as well. Conversely, most people assume that college age students and adults already possess a degree of consumer proficiency and are no longer in need of consumer education. All of us here recognize how fallacious this assumption is.

People of all ages need to know their rights and responsibilities as consumers, the consequences of their choices in the marketplace, how to manage their money, how to clarify their values, and how to understand the economic system in which they live. Educators can take advantage of natural interest in consumer education by using it to help teach science, mathematics and other subjects. Change in consumer attitudes and knowledge will evolve if this subject is taught well. As consumers become better educated, producers will naturally have to become more responsive to their needs and aspirations. Many business in fact, have found that business is better when the consumer is educated and informed.

Some resistance to consumer education in the public schools has in the past come from the local business community and from some teachers and other educators who uphold traditional curricula and who view consumer education as being too materialistic. Consumer education has also suffered from traditional chauvinistic attitudes towards women in that it has usually been included in courses of Home Economics with all its domestic connotations. Thus, at a time when students desperately need and want an innovative and expanded program of consumer education there is a lag between the development of curricula and the needs of society.

As I have previously indicated, consumer education must embrace more than products and the marketplace--it must attempt to equip people to function effectively in today's complex society, to help them use their resources wisely, and to understand the effect of their consumer decisions on the economy and the environment. This is not an easy task, and many teachers, school administrators, and community leaders have asked for help in setting up or improving consumer education programs. As partial response, the U.S. Office of Education in cooperation with the Secretary's Office for Consumer Services, has recognized and responded to this need by awarding a grant for the development of consumer education materials and techniques to Consumers Union of the U.S., Inc.

Consumers Union is taking a multi-disciplinary approach that isn't course oriented, in the sense of developing a rigid curriculum, but instead relates consumer education to existing courses. Its final product, due within the next few months, will cover pre-school through post graduate with materials and techniques for nine educational levels--three income perspectives are especially important, since as David Caplovitz in his book, the Poor Pay More, so aptly pointed out the problems consumers face in the urban ghettos are different than the problems consumers face in rural towns and in the suburbs.

There is also the possibility that the New Jersey Center for Consumer Education Services, established to devise and implement an interdisciplinary approach to consumer education in New Jersey schools, could be used as a national model. As most of you are aware, New Jersey

is far ahead of other States in the development of a State-wide center for consumer education services, due in large part to the fine work of Dr. William Johnston, Dr. Ellis Thomas and Dr. Myrna Crabtree. I see no reason why this center might not serve as national model for other States as well.

Consumer education has been somewhat expanded in its scope and depth of content, and in the numbers it reaches under the leadership of home economics educators in the U.S. Office of Education and State Departments of Education since the passage of Part F, (Consumer and Homemaking Education) of the Vocational Education Amendments of 1968 which stipulated that home economics programs "include consumer education.

The following are a few examples of these programs in action:

In New Jersey, semester courses in consumer education are (being offered through a interdisciplinary approach to all students on the high school level using the cycle or cooperative plan. The team of teachers may include various combinations of home economics teachers with teachers of business education, distributive education, industrial arts, social studies, or mathematics. Also the vocational education youth groups in New Jersey are cooperating in sponsoring State-wide workshops for all youth on Young Consumers in Action. I am encouraging the leaders on the national level to initiate similar projects on a nationwide scale.

In some States the home economics educators are taking the lead for State-wide consumer education programs in all of the schools. In Ohio the staff in the State Department of Education has been delegated the responsibility of putting a resolution from the State assembly into action which requires that consumer education be offered in every school. Under their leadership and

by involving representatives from seven different subject areas, a general curriculum guide on consumer education, K-12, was developed in the summer of 1970. During the summer of 1971, curriculum guides were developed for the diffusion of consumer education throughout all of the vocational education subjects and through social studies, mathematics and K-6. .

In Illinois also a State law also requires that all students receive education in relation to certain consumer education topics before graduation. Increasingly this requirement is being met by the semester course offered by home economics teachers. In all States workshops, special courses, and conferences have been held to update teachers in content and methods of teaching consumer education. For example, in the summer of 1971 a workshop was held at Washington State University where teams of teachers from local school districts developed plans for offering consumer education in their schools. Each school sent one home economics teacher and at least two teachers representing other subject matter areas. One school district sent the high school principal as a member of its team.

Consumer education courses are also being expanded to reach young adults in community colleges and postsecondary area vocational-technical schools. In Georgia, a semester - or quarter - length course in "Consumer and Family Life Skills" is required of all students in the postsecondary area vocational technical schools. Groups of students enrolled in electronics, auto-mechanics, business education, or practical nursing programs, for example, would take this course which is especially adopted to meet their needs. A similar course is being offered in the postsecondary schools in Kentucky and Wisconsin and it is being considered in several other States.

In many States there has been a growing demand for classes in consumer education for adults offered by home economics teachers. Many men and women are enrolling in these classes; particularly in Arkansas, Oklahoma, the District of Columbia, Georgia, New York, Florida and Texas. In one community in Connecticut, a home economics teacher has enlisted the help of a Puerto Rican man in helping to interpret consumer education to spanish-speaking people. The class meets on Sunday afternoon when both husbands and wives can attend. In Washington State welfare mothers enrolled in parent education classes are asking for extra lessons on consumer education.

In some of the above mentioned States and also in Ohio, Colorado, Florida, California, New Jersey and Puerto Rico, courses in consumer education are offered to homemakers who live in Public Housing Centers. The women come for classes during the day and husbands join them in classes at night. During the day, outside of class hours, the teachers provide individual consultation service at the centers or in the homes of individual tenants.

In North Dakota "Consumers in the Know" projects are being offered in depressed, rural counties. Educational fliers based on the consumer education concerns of the people are distributed. Radio programs are offered and area conferences are also held on regular bases.

In some States hard-to-reach individuals and families have consumer education brought to them via mobile instructional units, equipped as classrooms, and driven from place to place by the home economics teacher. Units are now being used in Portland, Oregon to reach inner city areas

and outlying migrant camps. They are also being used to take consumer education to the people in the inner city areas of Philadelphia, Pa., Long Beach, Calif., Chicago, Ill., Cleveland, Ohio; and to the rural sections of Georgia, to the migrant workers in Florida, and to the Indian reservations in Arizona.

And finally, in response to demands for audio-visual educational tools, the California State Vocational Education Division has supported the development of a series of consumer education films for use by schools and community services; and in Massachusetts the State Education Department has sponsored a series of TV commercials - 60 seconds shows - for use in prime time to promote consumer education.

In closing, I would like to emphasize that, in an age which "relevancy" is the battle cry of students, there is nothing more relevant than consumer education. It is clear that government and private consumer groups cannot do the job alone. Immediate help is needed from the public schools if we are to effectively analyze and publicize the information necessary for intelligent and responsible consumption and to change and develop peoples' perceptions about our economy. Ladies & Gentlemen, the time has come when we can no longer afford the luxury of ignorance in consumer affairs.